

Mitsui O.S.K. Lines, Ltd.

Financial Highlights: Fiscal Year 2007 Ended March 31, 2008

1. Consolidated Financial Highlights (from April 1, 2007 to March 31, 2008)

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(1) Operational Results

	(¥Million)		(US\$ Thousand)
	FY2007	FY2006	FY2007
Revenues	1,945,696	1,568,435	19,420,062
Operating income	291,284	168,073	2,907,316
Ordinary income	302,219	182,488	3,016,459
Net income	190,321	120,940	1,899,601
	(¥)		(US\$)
Net income per share	159.14	101.20	1.588
Diluted net income per share	153.18	97.41	1.529
Rate of return to shareholders' equity	30.9%	24.8%	30.9%
Rate of ordinary income to assets	17.1%	11.7%	17.1%
Operating income margin ratio	15.0%	10.7%	15.0%

(2) Financial Position

	(¥Million)		(US\$ Thousand)
	FY2007	FY2006	FY2007
Total Assets	1,900,551	1,639,940	18,969,468
Interest-bearing debt	601,174	569,417	6,000,339
Total Net Assets	751,652	620,989	7,502,266
Shareholders' Equity / Total assets	35.8%	33.6%	35.8%
	(¥)		(US\$)
Shareholders' Equity per share	568.96	460.78	5.679

* Shareholders' Equity is defined as follows.

Shareholders' Equity = Total Net Assets - (Share subscription rights + Minority interests)

(3) Cash Flows

	(¥Million)		(US\$ Thousand)
	FY2007	FY2006	FY2007
Cash flows from operating activities	283,359	156,418	2,828,216
Cash flows from investing activities	(260,068)	(136,049)	(2,595,748)
Cash flows from financing activities	(11,730)	(29,142)	(117,078)
Cash & cash equivalent at the end of year	61,715	51,382	615,980
Capital expenditures	(286,983)	(152,180)	(2,864,388)
Depreciation and amortization	74,480	68,581	743,388

(4) Dividends

	Dividend per share		Total dividends	Dividend pay-out ratio	Dividend ratio to shareholders' equity
	Interim	Year end			
FY2006	20.00		(¥ Million) 23,917	19.8%	4.9%
	9.00	11.00			
FY2007	31.00		37,111	19.5%	6.0%
	14.00	17.00			
FY2008 (Forecast)	15.50	15.50		18.5%	

(5) Forecast of Consolidated Results for Fiscal Year ending March 31, 2009

	(¥Million)		(US\$ Thousand)
	1H / FY2008	FY2008	FY2008
Revenues	1,010,000	2,050,000	20,461,124
Operating income	140,000	280,000	2,794,690
Ordinary income	152,000	300,000	2,994,311
Net income	104,000	200,000	1,996,207
	(¥)		(US\$)
Net income per share	86.92	167.15	1.668

* Underlying Assumption of the Forecast for FY2008

The above forecast is made assuming the exchange rate and the bunker price for FY2008.

Exchange Rate 1US\$=¥100.00

Bunker Price US\$ 530/MT

(Translation of foreign currencies)

The Japanese yen amounts for FY2007 have been translated into U.S. dollars using the prevailing exchange rate at March 31, 2008, which was ¥100.19 to U.S. \$1.00, solely for the convenience of readers. (The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.)

2. Non-Consolidated Financial Highlights (from April 1, 2007 to March 31, 2008)

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(1) Operational Results

	(¥ Million)		(US\$ Thousand)
	FY2007	FY2006	FY2007
Revenues	1,588,548	1,243,985	15,855,355
Operating income	232,260	111,708	2,318,195
Ordinary income	260,179	128,983	2,596,856
Net income	173,291	81,334	1,729,624
		(¥)	(US\$)
Net income per share	144.81	68.00	1.445
Diluted net income per share	139.39	65.46	1.391

(2) Forecast of Non-Consolidated Results for Fiscal Year ending March 31, 2009

	(¥ Million)		(US\$ Thousand)
	1H / FY2008	FY2008	FY2008
Revenues	830,000	1,700,000	16,967,761
Operating income	112,000	230,000	2,295,638
Ordinary income	124,000	250,000	2,495,259
Net income	80,000	160,000	1,596,966
		(¥)	(US\$)
Net income per share	66.82	133.64	1.334

* Underlying Assumption of the Forecast for FY2008

The above forecast is made assuming translation rates and the bunker price for FY2008.

Exchange Rate 1US\$=¥100.00

Bunker Price US\$530/MT

(Translation of foreign currencies)

The Japanese yen amounts for FY2007 have been translated into U.S. dollars using the prevailing exchange rate at March 31, 2008, which was ¥100.19 to U.S. \$1.00, solely for the convenience of readers. (The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.)

3. Business Performance

(1) Business climate during FY2007

(Unit: ¥ billion)

	FY2006 (Ended Mar. 2007)	FY2007 (Ended Mar. 2008)	Increase/decrease
Revenue	1,568.4	1,945.6	377.2 / 24.1%
Operating income	168.0	291.2	123.2 / 73.3%
Ordinary income	182.4	302.2	119.7 / 65.6%
Net income	120.9	190.3	69.3 / 57.4%
Exchange rate	¥117.40/US\$	¥115.55/US\$	- ¥1.85/US\$
Bunker price	US\$321/MT	US\$409/MT	US\$88/MT

In the U.S. economy during fiscal year (FY) 2007 (April 1, 2007 through March 31, 2008), the subprime loan issue created turmoil in the financial markets, and personal consumption and employment declined in step with the deteriorating housing market. The overall U.S. economic slowdown deepened. On the other hand, the Chinese economy showed continual growth with over 10% annually backed by favorable trends in investment and personal consumption. Japan maintained slow growth thanks to rising exports offsetting sluggish domestic demand. Europe also showed continuous steady growth supported by favorable investment.

In the foreign exchange market, the yen was weak early in the year, but depreciation of the dollar progressed rapidly around December 2007 due to turmoil in the U.S. economy after summer. As a result, the average exchange rate during FY2007 showed the yen slightly higher at ¥115.55/US\$. The bunker price continued to increase along with crude oil prices that surpassed \$100 per barrel (WTI) spurred by increased demand in developing countries and speculative funds flowing into the futures market. As a result, the average bunker price during the fiscal year was US\$409/MT (US\$88/MT up from the previous term). Higher bunker prices combined with the appreciating yen compressed our company's profits.

The dry bulker market saw a tightening fleet demand/supply due to increased purchases from distant sources such as Brazil in addition to increased iron ore imports by China. The spot freight rate market, including Cape size bulkers, showed an almost uninterrupted rise, and marked record high in November. After that, it remained high throughout the year, in spite of a temporary adjustment. While the tanker market was flagging due to a surplus of vessels such as Very Large Crude oil Carriers (VLCCs) and LPG carriers, the market for petrochemical product carriers (MR type) remained steady to some extent. The loaded cargo volume in containership

business increased greatly from the previous term, and freight rates on European routes recovered, but profits increased only slightly from the previous year, due to increases in various costs including inland railroad fees, along with higher fuel prices.

Consequently, revenue for FY2007 increased 24.1% from the previous year, totaling ¥1,945.6 billion; operating income increased 73.3 % to ¥291.2 billion; ordinary income increased 65.6% to ¥302.2 billion , and net income grew 57.4% to ¥190.3 billion. Revenue and all income set new records.

The chart below shows a comparison of consolidated financial results by segment and the same period of the previous year.

Upper: Revenue. Middle: Operating Income, Lower: Ordinary Income (Unit:¥ billion)

	FY2006 (Ended on March 31, 2007)	FY2007 (Ended on March 31, 2008)	Increase/Decrease
Bulkships	789.2	1,072.2	238.0 / 30.2%
	153.9	268.6	114.6 / 74.5%
	163.5	277.5	113.9 / 69.7%
Containerships	571.0	688.5	117.5 / 20.6%
	△2.9	1.3	4.2 / -%
	3.1	6.8	3.7 / 118.5%
Logistics	57.0	62.7	5.6 / 9.9%
	1.4	1.1	-0.2 / -20.6%
	2.2	2.2	-0.0 / -1.8%
Ferry and Domestic Transport	49.9	53.2	3.2 / 6.5%
	0.4	1.2	0.7 / 163.9%
	0.0	0.4	0.4 / -%
Associated Businesses	119.9	129.0	9.0 / 7.6%
	11.6	12.3	0.7 / 6.1%
	13.0	13.8	0.7 / 5.7%
Others	19.0	23.0	3.9 / 20.9%
	53	7.6	2.2 / 41.2%
	30	5.0	1.9 / 65.4%

Note: Revenue includes internal sales or transfers among segments.

(A) Bulkships

<Dry Bulk>

Worldwide seaborne trade of iron ore in 2007 was nearly 800 million tons, a 9% increase from 2006. Particularly, China showed a strong increase of 17% to 383 million tons. In addition to this increase, spot rates for dry bulkers including Cape size bulkers rose rapidly after summer, thanks to increasing purchases from more remote loading ports because of diversified ore supply sources, which resulted in longer voyage distances than ever before. Port congestion in

Australia was another factor for such rise in rates. MOL ensured stable earnings through long-term contracts for iron ore carriers, coal carriers, wood chip carriers, and so on, and expanded its aggressive business activities utilizing its free tonnage, and reaped the benefits of a favorable market. Heavy lift vessels also showed strong performance thanks to active plant trades for the Middle East. As a result, both revenue and incomes for FY2007 increased significantly from the previous year, marking record high performance.

<Tankers/LNG Carriers>

The petrochemical products business was supported by a robust market almost throughout the year. On the other hand, VLCCs showed a temporary steep rise at the end of the year, but overall remained at low levels throughout the year, due to stagnant trade because of high crude oil prices and sluggish U.S. energy demand. The market for LPG carriers also remained at low level, and rising seafarer wages for higher quality resources and dry-dock fees affected the business performances. The tanker business showed an increase in revenue, but a decline in income from the previous year.

In the LNG carrier segment, two new building carriers were put on service during FY2007, further expanding the fleet. We won a contract for one vessel to participate in a new project for a Japanese customer. Although existing vessels performed well under long-term contracts during the fiscal year, income in this segment decreased from the previous year mainly due to the yen's appreciation against the dollar and change of the vessel depreciation method.

<Car Carriers>

With favorable seaborne trade from Japan and the Far East, the company launched new 12 vessels from FY2006 to 2007 to increase its transport capacity. In FY2007, units transported totaled 2.78 million, a 4% increase from FY2006. In addition, higher profits from the cross-trade business in the Atlantic contributed to our performance. However, higher bunker prices, ship management costs and various costs for managing the fleet shortage associated with higher-than-expected shipping volume compressed the earnings. As a result, income in this segment decreased.

(B) Containerships

Seaborne trade on key Asia-North America (eastbound) routes was slow, remaining almost the same as the previous year, but other routes, such as Asia-Europe routes and South/North routes, showed steady growth. We built 11 containerships during the year to provide larger-scale ships

on key routes such as Asia-Europe, and opened new services such as Asia-the Black Sea, Middle East-Africa, and Asia-Africa. Thanks to these efforts, loaded cargo volume increased greatly compared to FY2006. Furthermore, as a result of efforts to restore freight rates on the European route, and so on, revenue posted a strong increase of 21% from the previous year. However, incomes rose by only a small margin due to higher costs for inland railroad transport in North America, terminal handling, and canal tolls, in addition to the steep rise in bunker prices.

Businesses associated with containerships include container terminals that we operate (four in Japan and two in USA), and harbor and port operation. These businesses remained firm thanks to growth in container trade.

(C) Logistics

Income in the air cargo transport business for this term remained almost the same due to a slow increase in trade to and from Japan. We have also worked to develop and reinforce its ocean consolidation business (OCB) operations. We won a contract to serve as a buyer's consolidator in China and Hong Kong for a major U.S. retail chain, maintaining our solid growth in this business.

(D) Ferry and Domestic Transport

In the ferry business, a bunker price surge of more than ¥10,000/KL (about 20%) compared to FY2006, compressed profits. But, we reinforced our management base by consolidating Group companies, took measures for rationalization such as withdrawal from an unprofitable route, and collected bunker surcharges. As a result of these endeavors, we secured more profits than the previous year. In addition, with favorable trends in the domestic shipping business, this segment saw increased profits over FY2006.

(E) Associated Businesses

The real estate business showed steady performance and maintained profits at the same level as the previous year. In cruise ship operations, we attracted more passengers but could not offset cost increases, resulting in lower profits than FY2006. In the trading business, ship machinery sales were strong. As a result, overall revenue and profit in the associated business segment during FY2007 showed increases compared to the previous year.

(F) Others

Other businesses, which are mainly cost centers, include ship operations, ship management, ship

chartering, financing, and shipbuilding. Overall profits for the year in this segment increased from FY2006.

(2) Outlook for FY2008

(Unit: ¥ billion)

	FY2007 Results	FY2008 Forecasts	Increase/Decrease
Revenue	1,945.6	2,050.0	104.3/5.4 %
Operating income	291.2	280.0	-11.2/-3.9 %
Ordinary income	302.2	300.0	-2.2/-0.7 %
Net income	190.3	200.0	9.6/5.1 %

Exchange rate	¥115.55/US\$	¥100.00/US\$	-¥15.55/US\$
Bunker price	US\$409/MT	US\$530/MT	US\$121/MT

(Assumption)

During the next fiscal year, an economic slowdown in the U.S. is creating anxiety and may affect developing nations, impacting global seaborne trade. Furthermore, continued high bunker prices, a higher yen and weaker dollar, and various vessel cost increases such as maintenance and repair and labor costs, are factors that may compress our company's profits. However, we expect to maintain profits at same level as FY2007 through the effects of fleet expansion (a series of new-building vessels), and efforts to reduce costs including reduction of fuel consumption, striving to shift increased costs (fuel cost, etc.) to freight rates.

In the bulkship business, while iron ore imports by China are expected to keep growing by more than 10% annually, the supply of vessels such as Cape size bulkers will remain limited. Thus, we expect continued strong performance in this market. In the tanker market, we expect to see single-hulled tankers withdrawn from service. So despite concerns over the economic slowdown in the U.S. and high crude oil prices, we do not expect a big slackening in the fleet supply/demand balance. In the LNG carrier business, we expect stable profits based on long-term contracts. In the car carrier business, we will increase and reinforce our transport capacity by launching 14 vessels during FY2008 to meet rising demand.

In the containership business, we plan to review base freight rate levels and rate systems on all routes to rein in the effects of increases in various costs including bunker

prices. Particularly on the Asia-North America routes, where profits deteriorated during FY2007, we are struggling to restore freight rates including efforts to introduce floating bunker surcharges. Seaborne trade on routes to South America, Africa, and the Middle East are projected to show solid growth. We expect the trade from Asia to North America to slow down, but we will strive to increase lifting volumes through aggressive marketing efforts, and plan to temporarily adjust the fleet supply by decreasing service frequencies against the seasonal slackening in supply and demand.

In other businesses, we will continue to work for stable profits in associated business such as real estate, expand our OCB operations in logistics, and anticipate higher profits in ferry operations.

Considering these prospects, we project consolidated revenue for FY2008 of ¥2,050 billion; consolidated operating income of ¥280 billion; consolidated ordinary income of ¥300 billion, and consolidated net income of ¥200 billion.

These projections are based on the assumption of an exchange rate of ¥100.00/US\$ and a bunker price of US\$530/MT in FY2008.

4. Financial Position

Total assets for the FY2007, ended March 31, 2008, were 1,900.5 billion yen, an increase of 260.6 billion yen from the end of the previous fiscal year. This was mainly due to an increase in vessels and trade receivables despite a decrease in investment securities. Total liabilities increased by 129.9 billion yen from the end of the previous fiscal year to 1,148.8 billion yen mainly due to an increase in trade payables and accrued income taxes. Total net assets increased by 130.6 billion yen from the end of the previous fiscal year to 751.6 billion yen. This was mainly due to an increase in retained earnings. As a result, the shareholders' equity / total assets ratio increased to 35.8%.

5. Cash Flow

Cash and cash equivalents (hereinafter called "cash") at the end of FY2007 totaled 61.7 billion yen, 10.3 billion yen increase from the end of the previous year.

Net cash provided by operating activities during FY2007 totaled 283.3 billion yen, 126.9 billion

yen increase from the same period of the previous year. Income before income taxes and minority interests for the fiscal year was 318.2 billion yen, and depreciation and amortization totaled 74.4 billion yen. Income taxes paid totaled 71.3 billion yen.

Net cash used in investing activities during FY2007 totaled 260.0 billion yen, 124.0 billion yen increase from the same period of the previous year. This result was mainly due to 286.9 billion yen for payments for vessels and other tangible and intangible fixed assets.

Net cash used in financing activities during FY2007 totaled 11.7 billion yen, 17.4 billion yen decrease from the same period of the previous year. This primarily consisted of decrease in long-term loans.

6. Basic policy on profit sharing and dividends for FY2007 and FY2008

Our key management policies are enhancement of corporate value with proactive capital investment and direct return of profits to shareholders through dividends. Based on the mid-term management plan MOL ADVANCE, we will continue our proactive investment stance, mainly in vessels. We utilize internal capital reserves to cover investment funds, while reinforcing corporate strength, to further enhance our per-share corporate value. Considering these factors, we will maintain a dividend payout ratio of 20% for the time being, and pay dividends in conjunction with consolidated performance. But we will work to increase the payout ratio as a mid- and long-term management task.

Reflecting this dividend policy, we plan to pay ¥31 per share as the annual dividend for FY2007 (including an interim dividend of ¥14 already paid), an increase of ¥11 over dividends of the previous year. For FY2008, we plan to pay an annual dividend of ¥31 per share (including an interim dividend of ¥15.5 per share), assuming we achieve our profit forecasts of FY2008.

Meanwhile, we have no plan to change the frequency of dividend payments, such as adopting quarterly dividend payment, for the time being

7. Consolidated Financial Statements

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(1) Consolidated Balance Sheets

	As of March 31, 2008		As of March 31, 2007		Increase/ (Decrease)
	Amount	%	Amount	%	
(¥ Million)					
Assets					
Current assets	506,077	26.6	405,473	24.7	100,604
Fixed assets	1,394,473	73.4	1,234,466	75.3	160,007
Tangible fixed assets	1,047,824	55.1	847,660	51.7	200,164
Intangible fixed assets	16,835	0.9	19,318	1.2	(2,483)
Investments and other long-term assets	329,813	17.4	367,487	22.4	(37,674)
Total Assets	1,900,551	100.0	1,639,940	100.0	260,611

	As of March 31, 2008		As of March 31, 2007		Increase/ (Decrease)
	Amount	%	Amount	%	
(¥ Million)					
Liabilities					
Current liabilities	528,390	27.8	482,810	29.4	45,580
Non-current liabilities	620,508	32.7	536,140	32.7	84,368
Total Liabilities	1,148,898	60.5	1,018,951	62.1	129,947
Net Assets					
Owners' equity					
Common stock	65,350	3.4	64,915	4.0	435
Capital surplus	44,449	2.3	43,886	2.7	563
Retained earnings	536,096	28.2	375,443	22.9	160,653
Treasury stock, at cost	(4,589)	(0.2)	(4,153)	(0.3)	(436)
Total owners' equity	641,306	33.7	480,091	29.3	161,215
Accumulated gains (losses) from valuation and translation adjustments					
Unrealized holding gains on available-for-sale securities, net of tax	31,647	1.7	57,771	3.5	(26,124)
Unrealized gains on hedging derivatives, net of tax	12,051	0.6	15,897	1.0	(3,846)
Foreign currency translation adjustments	(4,227)	(0.2)	(2,996)	(0.2)	(1,231)
Total accumulated gains (losses) from valuation and translation adjustments	39,471	2.1	70,672	4.3	(31,201)
Share subscription rights	967	0.0	365	0.0	602
Minority interests	69,907	3.7	69,859	4.3	48
Total Net Assets	751,652	39.5	620,989	37.9	130,663
Total Liabilities and Total Net Assets	1,900,551	100.0	1,639,940	100.0	260,611

(2) Consolidated Statements of Income

(¥Million)

	FY2007		FY2006		Increase/(Decrease)	
	Amount	%	Amount	%	Amount	%
Shipping and other operating revenues	1,945,696	100.0	1,568,435	100.0	377,261	24.1
Shipping and other operating expenses	1,544,109	79.4	1,300,038	82.9	244,071	18.8
Gross operating income	401,587	20.6	268,396	17.1	133,191	49.6
Selling, general and administrative expenses	110,302	5.6	100,323	6.4	9,979	9.9
Operating income	291,284	15.0	168,073	10.7	123,211	73.3
Non-operating income:						
Interest income	4,113		3,663		450	
Dividend income	4,667		3,964		703	
Equity in earnings of an unconsolidated subsidiary and affiliated companies	18,198		16,171		2,027	
Others	12,013		11,006		1,007	
Total	38,992	2.0	34,806	2.2	4,186	12.0
Non-operating expenses:						
Interest expense	18,065		18,275		(210)	
Others	9,993		2,115		7,878	
Total	28,058	1.5	20,391	1.3	7,667	37.6
Ordinary income	302,219	15.5	182,488	11.6	119,731	65.6
Extraordinary profit:						
Gain on sale of fixed assets	19,485		13,771		5,714	
Gain on sale of investment securities	3,528		6,146		(2,618)	
Others	11,133		633		10,500	
Total	34,148	1.8	20,551	1.3	13,597	66.2
Extraordinary loss:						
Loss on sale and disposal of fixed assets	2,066		363		1,703	
Loss on sale of investment securities	30		138		(108)	
Loss on write-down of investment securities	3,131		210		2,921	
Others	12,936		4,474		8,462	
Total	18,164	0.9	5,185	0.3	12,979	250.3
Income before income taxes and minority interests	318,202	16.4	197,854	12.6	120,348	60.8
Income taxes - current	115,183	5.9	63,041	4.0	52,142	82.7
Income taxes - deferred	5,693	0.3	7,468	0.5	(1,775)	(23.8)
Minority interests in earnings of consolidated subsidiaries	7,004	0.4	6,403	0.4	601	9.4
Net income	190,321	9.8	120,940	7.7	69,381	57.4

(3) Consolidated Statement of Changes in Net Assets
FY2007 (April 1, 2007 - March 31, 2008)

(¥ Million)

	Owners' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total owners' equity
Balance at Mar 31, 2007	64,915	43,886	375,443	(4,153)	480,091
Net income			190,321		190,321
Appropriations					
New issue of stocks (Exercise of stock options)	435	435			870
Dividends paid			(29,914)		(29,914)
Due to change in consolidated subsidiaries			260		260
Due to change in affiliated companies accounted for by the equity method			(13)		(13)
Repurchase of treasury stock				(1,139)	(1,139)
Disposal of treasury stock		127		704	831
Net increase / decrease during the term except in Owners' Equity					
Balance at Mar 31, 2008	65,350	44,449	536,096	(4,589)	641,306

(¥ Million)

	Accumulated gains (losses) from valuation and translation adjustments				Share subscription rights	Minority intersts	Total Net Assets
	Unrealized holding gains on available for- sale securities, net of tax	Unrealized gains on hedging derivatives, net of tax	Foreign currency translation adjustments	Total accumulated gains (losses) from valuation and translation adjustments			
Balance at Mar 31, 2007	57,771	15,897	(2,996)	70,672	365	69,859	620,989
Net income							190,321
Appropriations							
New issue of stocks (Exercise of stock options)							870
Dividends paid							(29,914)
Due to change in consolidated subsidiaries							260
Due to change in affiliated companies accounted for by the equity method							(13)
Repurchase of treasury stock							(1,139)
Disposal of treasury stock							831
Net increase / decrease during the term except in Owners' Equity	(26,123)	(3,846)	(1,231)	(31,201)	601	47	(30,551)
Balance at Mar 31, 2008	31,647	12,051	(4,227)	39,471	967	69,907	751,652

(4) Consolidated Statements of Cash Flows

(¥Million)

	FY2007	FY2006	Increase/ (Decrease)
Cash flows from operating activities			
Income before income taxes and minority interests	318,202	197,854	120,348
Depreciation and amortization	74,480	68,581	5,899
Reversal of provisions	11,488	(146)	11,634
Interest and dividend income	(8,781)	(7,628)	(1,153)
Interest expense	18,065	18,275	(210)
Equity in earnings of an unconsolidated subsidiary and affiliated companies, net	(18,198)	(16,171)	(2,027)
Gain on sale and disposal of tangible fixed assets	(17,439)	(13,393)	(4,046)
Loss on write-down of investment securities	3,131	210	2,921
Gain on sale of investment securities	(3,498)	(6,008)	2,510
Changes in operating assets and liabilities			
- Trade receivables	(46,126)	(23,433)	(22,693)
- Fuel and supplies	(18,278)	(2,497)	(15,781)
- Trade payables	28,052	22,174	5,878
Others, net	16,440	(19,903)	36,343
Sub total	357,537	217,913	139,624
Cash received for interest and dividend	14,996	14,097	899
Cash paid for interest	(17,783)	(19,098)	1,315
Cash paid for corporate income tax, resident tax, and enterprise tax	(71,390)	(56,494)	(14,896)
Net cash provided by operating activities	283,359	156,418	126,941
Cash flows from investing activities			
Purchase of marketable and investment securities	(13,726)	(19,646)	5,920
Proceeds from sale of marketable and investment securities	5,926	19,194	(13,268)
Payments for purchase of tangible and intangible fixed assets	(286,983)	(152,180)	(134,803)
Proceeds from sale of tangible and intangible fixed assets	43,068	25,160	17,908
Net increase in short-term loans receivable	(3,715)	(9,568)	5,853
Disbursements for loans receivable	(10,931)	(6,778)	(4,153)
Collections of loans receivable	8,566	3,964	4,602
Others, net	(2,273)	3,805	(6,078)
Net cash used in investing activities	(260,068)	(136,049)	(124,019)
Cash flows from financing activities			
Net increase (decrease) in short-term bank loans	(52,394)	5,502	(57,896)
Net increase (decrease) in short-term bonds	15,614	(13,185)	28,799
Net decrease in commercial paper	(2,000)	(5,000)	3,000
Proceeds from long-term bank loans	131,645	64,040	67,605
Repayments of long-term bank loans	(86,778)	(60,126)	(26,652)
Proceeds from issuance of bonds	29,269	31,038	(1,769)
Redemption of bonds	(13,271)	(26,886)	13,615
Cash dividends	(29,898)	(21,497)	(8,401)
Others, net	(3,916)	(3,027)	(889)
Net cash used in financing activities	(11,730)	(29,142)	17,412
Effect on exchange rate changes on cash and cash equivalents	(2,289)	(1,057)	(1,232)
Net increase (decrease) in cash and cash equivalents	9,271	(9,831)	19,102
Cash and cash equivalents at the beginning of year	51,382	60,267	(8,885)
Net cash increase from new consolidation /deconsolidation of subsidiaries	1,061	947	114
Cash and cash equivalents at the end of year	61,715	51,382	10,333

(5) Segment Information

1. Business segment information:

(¥Million)

FY2007	Bulk-ships	Container-ships	Logistics	Ferry & Domestic Transport	Associated Businesses	Others	Total	Elimination	Consolidated
I . Revenues									
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	1,024,797	686,828	61,236	53,099	108,859	10,875	1,945,696	—	1,945,696
2.Inter-segments revenues	2,443	1,751	1,504	139	20,198	12,182	38,219	(38,219)	—
Total Revenues	1,027,240	688,580	62,741	53,238	129,057	23,057	1,983,916	(38,219)	1,945,696
Operating expenses	758,561	687,266	61,608	52,024	116,691	15,453	1,691,606	(37,194)	1,654,412
Operating income	268,679	1,313	1,132	1,214	12,366	7,603	292,310	(1,025)	291,284
Ordinary income	277,570	6,882	2,215	497	13,812	5,005	305,984	(3,765)	302,219
II . Assets	989,607	352,856	55,960	50,686	290,991	412,947	2,153,049	(252,498)	1,900,551
Depreciation	46,828	13,523	1,537	3,365	6,225	2,775	74,255	224	74,480
Capital expenditures	190,733	80,485	716	10,452	9,736	11,477	303,601	(28)	303,573

(¥Million)

FY2006	Bulk-ships	Container-ships	Logistics	Ferry & Domestic Transport	Associated Businesses	Others	Total	Elimination	Consolidated
I . Revenues									
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	787,039	568,590	55,570	49,848	99,669	7,716	1,568,435	—	1,568,435
2.Inter-segments revenues	2,193	2,429	1,514	144	20,294	11,352	37,928	(37,928)	—
Total Revenues	789,232	571,020	57,084	49,993	119,964	19,068	1,606,363	(37,928)	1,568,435
Operating expenses	635,251	573,973	55,657	49,532	108,304	13,681	1,436,402	(36,040)	1,400,361
Operating income/ (loss)	153,981	(2,953)	1,426	460	11,660	5,386	169,961	(1,888)	168,073
Ordinary income	163,580	3,150	2,256	19	13,073	3,026	185,106	(2,618)	182,488
II . Assets	817,316	271,484	56,714	50,049	300,113	360,501	1,856,180	(216,239)	1,639,940
Depreciation	41,706	11,820	1,468	3,578	6,416	3,320	68,311	270	68,581
Capital expenditures	109,856	30,327	908	4,387	8,285	110	153,876	—	153,876

2. Geographical segment information:

(¥Million)

FY2007	Japan	North America	Europe	Asia	Other	Total	Elimination	Consolidated
I. Revenues								
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	1,866,520	40,391	15,591	23,001	191	1,945,696	—	1,945,696
2.Inter-segments revenues	5,630	18,037	13,843	10,029	3,949	51,490	(51,490)	—
Total Revenues	1,872,151	58,428	29,435	33,030	4,141	1,997,187	(51,490)	1,945,696
Operating expenses	1,598,131	45,359	23,744	31,546	4,071	1,702,853	(48,441)	1,654,412
Operating income	274,019	13,069	5,691	1,484	69	294,334	(3,049)	291,284
Ordinary income	297,195	14,625	1,723	2,086	81	315,712	(13,493)	302,219
II. Assets	1,775,035	55,332	157,599	40,646	28,735	2,057,348	(156,796)	1,900,551

(¥Million)

FY2006	Japan	North America	Europe	Asia	Other	Total	Elimination	Consolidated
I. Revenues								
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	1,490,370	45,011	16,876	16,073	103	1,568,435	—	1,568,435
2.Inter-segments revenues	5,715	16,921	8,056	8,663	2,469	41,827	(41,827)	—
Total Revenues	1,496,086	61,932	24,933	24,737	2,572	1,610,262	(41,827)	1,568,435
Operating expenses	1,342,715	50,590	20,025	23,090	2,469	1,438,891	(38,530)	1,400,361
Operating income	153,370	11,342	4,908	1,646	102	171,370	(3,297)	168,073
Ordinary income	175,899	12,598	1,328	1,971	145	191,943	(9,454)	182,488
II. Assets	1,576,913	37,368	120,225	19,831	4,832	1,759,170	(119,230)	1,639,940

3. International business information:

(¥Million)

FY2007	North America	Europe	Asia	Latin America	Oceania	Other	Total
I. International revenues	424,031	317,667	373,041	221,417	297,075	113,759	1,746,993
II. Consolidated revenues	—	—	—	—	—	—	1,945,696
III. Ratio of international revenues to consolidated revenues	21.8%	16.3%	19.2%	11.4%	15.3%	5.8%	89.8%

(¥Million)

FY2006	North America	Europe	Asia	Other	Total
I. International revenues	353,182	287,005	345,429	402,861	1,388,479
II. Consolidated revenues	—	—	—	—	1,568,435
III. Ratio of international revenues to consolidated revenues	22.5%	18.3%	22.0%	25.7%	88.5%

8. Non-Consolidated Financial Statements

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(1) Non-Consolidated Balance Sheets

(¥Million)

	As of March 31, 2008		As of March 31, 2007		Increase/ (Decrease)
	Amount	%	Amount	%	
Assets					
Current assets	449,048	46.1	368,228	44.0	80,820
Fixed assets	525,708	53.9	469,184	56.0	56,524
Tangible fixed assets	101,527	10.4	99,316	11.9	2,211
Intangible fixed assets	14,712	1.5	18,646	2.2	(3,934)
Investments and other long-term assets	409,468	42.0	351,221	41.9	58,247
Total Assets	974,757	100.0	837,412	100.0	137,345

(¥Million)

	As of March 31, 2008		As of March 31, 2007		Increase/ (Decrease)
	Amount	%	Amount	%	
Liabilities					
Current liabilities	360,545	37.0	330,569	39.5	29,976
Non-current liabilities	84,784	8.7	102,836	12.3	(18,052)
Total Liabilities	445,330	45.7	433,405	51.8	11,925
Net Assets					
Owners' equity					
Common stock	65,350	6.7	64,915	7.8	435
Capital surplus	44,439	4.6	43,886	5.2	553
Retained earnings	392,597	40.2	249,220	29.8	143,377
Treasury stock, at cost	(5,943)	(0.6)	(5,528)	(0.7)	(415)
Total owners' equity	496,443	50.9	352,494	42.1	143,949
Accumulated gains (losses) from valuation and translation adjustments					
Unrealized holding gains on available for-sale securities, net of tax	29,110	3.0	50,368	6.0	(21,258)
Unrealized gains on hedging derivatives, net of tax	2,905	0.3	778	0.1	2,127
Total accumulated gains (losses) from valuation and translation adjustments	32,016	3.3	51,147	6.1	(19,131)
Share subscription rights	967	0.1	365	0.0	602
Total Net Assets	529,426	54.3	404,007	48.2	125,419
Total Liabilities and Total Net Assets	974,757	100.0	837,412	100.0	137,345

(2) Non-Consolidated Statements of Income

(¥Million)

	FY2007		FY2006		Increase/(Decrease)	
	Amount	%	Amount	%	Amount	%
Shipping and other operating revenues	1,588,548	100.0	1,243,985	100.0	344,563	27.7
Shipping and other operating expenses	1,324,997	83.4	1,104,015	88.7	220,982	20.0
Gross operating income	263,550	16.6	139,969	11.3	123,581	88.3
Selling, general and administrative expenses	31,290	2.0	28,260	2.3	3,030	10.7
Operating income	232,260	14.6	111,708	9.0	120,552	107.9
Non-operating income:						
Interest and Dividend income	33,628		20,440		13,188	64.5
Others	8,711		6,167		2,544	41.3
Total	42,340	2.7	26,608	2.2	15,732	59.1
Non-operating expenses:						
Interest expense	3,302		4,234		(932)	(22.0)
Others	11,118		5,098		6,020	118.1
Total	14,420	0.9	9,333	0.8	5,087	54.5
Ordinary income	260,179	16.4	128,983	10.4	131,196	101.7
Extraordinary profit:						
Gain on sale of fixed assets	20		29		(9)	
Others	18,037		1,015		17,022	
Total	18,057	1.1	1,045	0.0	17,012	—
Extraordinary loss:						
Loss on sale of fixed assets	1,073		51		1,022	
Others	2,120		1,563		557	
Total	3,193	0.2	1,615	0.1	1,578	97.7
Income before income taxes	275,043	17.3	128,414	10.3	146,629	114.2
Income taxes - current	100,429	6.3	51,105	4.1	49,324	96.5
Income taxes - deferred	1,323	0.1	(4,026)	(0.3)	5,349	—
Net Income	173,291	10.9	81,334	6.5	91,957	113.1

(3) Non-Consolidated Statement of Changes in Net Assets
FY2007 (April 1, 2007 - March 31, 2008)

(¥Million)

	Owners' Equity									
	Common stock	Capital surplus	Retained earnings						Treasury stock, at cost	Total owners' equity
			Legal earnings reserve	Other retained earnings						
				Reserve for special depreciation	Reserve for overseas investment loss	Reserve for advanced depreciation	Other reserve	Retained earnings brought forward		
Balance at Mar 31, 2007	64,915	43,886	8,527	377	20	514	125,630	114,150	(5,528)	352,494
Net income								173,291		173,291
Appropriations										
New issue of stocks (Exercise of stock options)	435	435								870
Dividends paid								(29,914)		(29,914)
Addition to reserve for special depreciation				1,177				(1,177)		—
Reversal of reserve for special depreciation				(327)				327		—
Addition to reserve for overseas investment loss					10			(10)		—
Reversal of reserve for advanced depreciation						(9)		9		—
Addition to other reserve							50,000	(50,000)		—
Repurchase of treasury stock									(1,139)	(1,139)
Disposal of treasury stock		117							723	840
Net increase / decrease during the term except in Owners' Equity										
Balance at Mar 31, 2008	65,350	44,439	8,527	1,227	30	504	175,630	206,677	(5,943)	496,443

(¥Million)

	Accumulated gains from valuation and translation adjustments			Share subscription rights	Total Net Assets
	Unrealized holding gains on available-for-sale securities, net of tax	Unrealized gains on hedging derivatives, net of tax	Total accumulated gains from valuation and translation adjustments		
Balance at Mar 31, 2007	50,368	778	51,147	365	404,007
Net income					173,291
Appropriations					
New issue of stocks (Exercise of stock options)					870
Dividends paid					(29,914)
Addition to reserve for special depreciation					—
Reversal of reserve for special depreciation					—
Addition to reserve for overseas investment loss					—
Reversal of reserve for advanced depreciation					—
Addition to other reserve					—
Repurchase of treasury stock					(1,139)
Disposal of treasury stock					840
Net increase / decrease during the term except in Owners' Equity	(21,257)	2,126	(19,130)	601	(18,529)
Balance at Mar 31, 2008	29,110	2,905	32,016	967	529,426

Supplement(For further details please refer to our homepage <http://www.mol.co.jp/ir-e>)**1. Comparison with Midterm Management Plan "MOL ADVANCE"****(1) Revenues & Income**

(¥ Billion)

	FY2006	FY2007		FY2008		FY2009	
	Results	MOL ADVANCE Plan	Results	MOL ADVANCE Plan	Forecast	MOL ADVANCE Plan	Forecast
Revenues (*1)	1,568	1,640	1,945	1,880	2,050	2,060	2,200
Bulkships(*2)	787	790	1,024	810	1,050	870	
Containerships	568	620	686	820	750	910	
Other 4 segments(*3)	212	230	234	250	250	280	
Operating Income	168	182	291	197	280	212	
Ordinary income	182	190	302	205	300	220	310
Bulkships	163	161	277	164	265	168	
Containerships	3	10	6	20	10	30	
Other 4 segments(*3)	18	20	21	22	20	23	
Elimination	△ 2	△ 1	△ 3	△ 1	4	△ 1	
Net income	120	124	190	133	200	143	205
Ratio of ordinary income to revenue	11.6%	11.6%	15.5%	10.9%	14.6%	10.7%	14.1%

Av. Ex. Rate ¥117.40/US\$ ¥110.00/US\$ ¥115.55/US\$ ¥110.00/US\$ ¥100.00/US\$ ¥110.00/US\$ ¥100.00/US\$

Av. Bunker price US\$321/MT US\$300/MT US\$409/MT US\$300/MT US\$530/MT US\$300/MT US\$530/MT

(*1)Revenues = Revenues from customers, unconsolidated subsidiaries and affiliated companies (Assumption) (Assumption)

(*2)Dry bulkers, tankers, LNG carriers and car carriers

(*3)Logistics, ferry & domestic transport, associated businesses, others

(2) Financial Indices (Guideline)

(¥ Billion)

	2007.3	2008.3	"MOL ADVANCE" Guideline for 2010.3
Shareholders' Equity	550	680	860
Shareholders' Equity /Total assets	33.6%	35.8%	40% or more
Gearing ratio	103.4%	88.3%	less than 100%
ROA	7.8%	10.8%	7% or more

Shareholders' Equity = Total Net Assets - (Share subscription rights + Minority interests)

Gearing ratio = Interest-bearing debt ÷ Shareholders' Equity

ROA = Net income ÷ Total Assets

2. Review of Quarterly Results

FY2007

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Apr.~Jun.,2007	Jul.~Sep.,2007	Oct.~Dec.,2007	Jan.~Mar.,2008
Revenues [¥ Million]	445,885	494,390	508,099	497,322
Operating Income	58,642	77,405	83,863	71,374
Ordinary income	64,493	79,145	88,780	69,801
Income before income taxes	62,339	84,903	96,490	74,470
Net income	33,945	52,732	58,937	44,707
Net income per share [¥]	28.40	44.10	49.28	37.36
Total assets [¥ Million]	1,736,856	1,880,686	1,928,963	1,900,551
Total net assets	647,840	718,763	720,931	751,652
Shareholders' Equity per share [¥]	481.95	540.06	543.71	568.96

FY2006

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Apr.~Jun.,2006	Jul.~Sep.,2006	Oct.~Dec.,2006	Jan.~Mar.,2007
Revenues [¥ Million]	370,643	388,875	402,225	406,692
Operating Income	31,734	41,225	47,366	47,748
Ordinary income	35,381	43,087	50,208	53,812
Income before income taxes	39,406	41,515	59,399	57,534
Net income	22,642	25,092	39,820	33,386
Net income per share [¥]	18.95	20.99	33.32	27.94
Total assets [¥ Million]	1,467,081	1,537,133	1,596,410	1,639,940
Total net assets	505,854	532,226	571,720	620,989
Shareholders' Equity per share [¥]	365.32	387.09	420.53	460.78

3. Depreciation and Amortization

	(Million yen)		
	FY2006	FY2007	Increase /Decrease
Vessels	49,327	55,480	6,153
Others	19,254	19,000	△ 254
Total	68,581	74,480	5,899

4. Interest-bearing Debt

	(Million yen)		
	As of March 31, 2007	As of March 31, 2008	Increase /Decrease
Bank loans	420,855	407,688	△ 13,167
Bonds	136,562	167,012	30,450
Commercial paper	12,000	10,000	△ 2,000
Others	—	16,474	16,474
Total	569,417	601,174	31,757

5. Fleet Capacity (MOL and consolidated subsidiaries)

	Dry bulkers		Tankers		LNG carriers		Car carriers		Containerships	
	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT
Owned	92	6,977	70	10,229	27	1,795	32	538	40	2,115
Chartered	271	23,205	92	4,053	7	531	71	1,036	90	3,388
Others	1	152	—	—	2	143	—	—	—	—
Total	364	30,334	162	14,282	36	2,469	103	1,574	130	5,503
As of Mar. 31, 2007	345	28,575	158	13,938	36	2,439	100	1,514	119	4,882

	Ferries/Domestic carriers(*1)		Passenger ships		Others		Total	
	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT
Owned	14	78	1	5	1	6	277	21,743
Chartered	30	78	—	—	2	13	563	32,304
Others	2	3	—	—	—	—	5	298
Total	46	159	1	5	3	19	845	54,345
As of Mar. 31, 2007	45	165	1	5	3	18	807	51,536

*1:excluding tug boats

6. Exchange Rates

	FY2006	FY2007	Change		
Average rates	¥117.40	¥115.55	¥1.85	(1.6%)	¥ appreciated
Term-end rates	¥118.05	¥100.19	¥17.86	(15.1%)	¥ appreciated

(Remark) "Average rates" are average of monthly corporate rates in each term, while "term-end rates"

Overseas subsidiaries

	TTM on December 31, 2006	TTM on December 31, 2007	Change		
Term-end rates	¥119.11	¥114.15	¥4.96	(4.2%)	¥ appreciated

7. Bunker Prices

	FY2006	FY2007	Increase /Decrease
Consumption Prices	US\$321/MT	US\$409/MT	US\$88/MT

8. Outlook for FY2008

(¥ Billion)

Segments	Revenues(*1)	Operating Income	Ordinary Income
Bulkships	1,050	255	265
Containerships	750	8	10
Logistics	73	2	2
Ferry /Domestic Transport	60	2	2
Associated Businesses	107	11	12
Others	10	0	2
Elimination	-	0	4
Total	2,050	280	300

From April 1, 2008 to March 31, 2009

Assumed exchange rates ¥100.00/US\$

bunker prices US\$530/MT

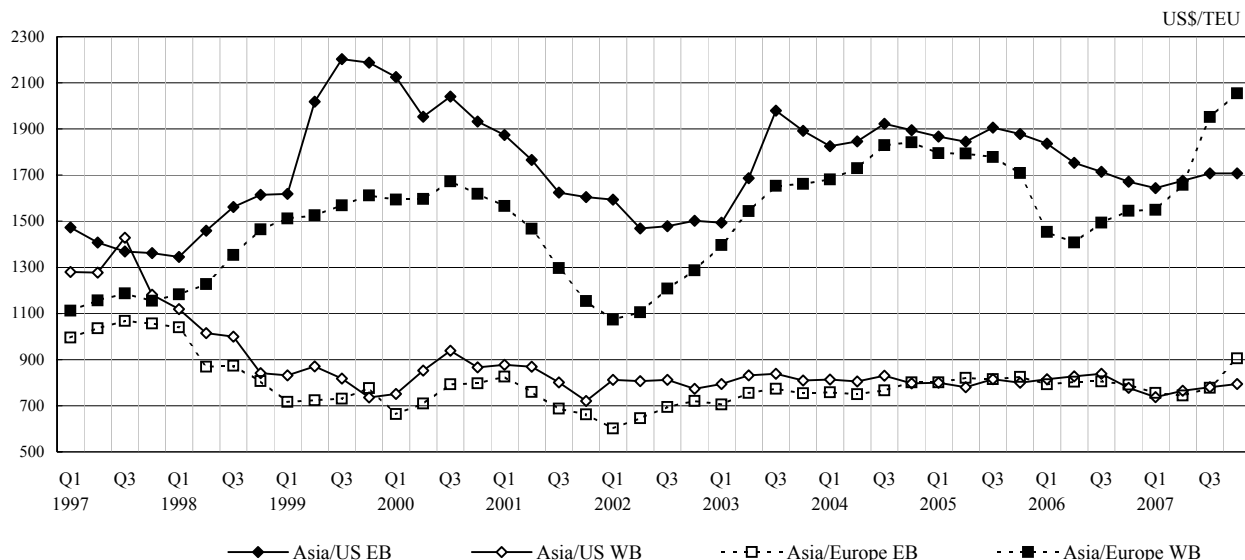
(*1) Revenues from customers, unconsolidated subsidiaries and affiliated companies

9. Containerships' Capacity, Lifting and Utilization

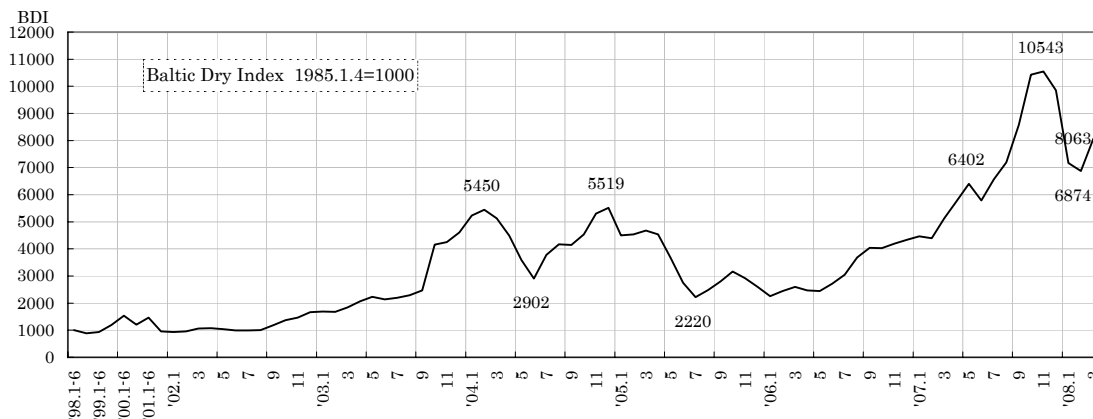
			Capacity(1000TEU)	Lifting(1000TEU)	Utilization
Asia -North America Trade	Outbound	FY2007	603	558	93%
		FY2006	547	492	90%
	Inbound	FY2007	582	331	57%
		FY2006	546	284	52%
Asia -Europe Trade	Outbound	FY2007	463	440	95%
		FY2006	426	413	97%
	Inbound	FY2007	436	256	59%
		FY2006	406	230	57%
Total: All Trades		FY2007	4,269	3,228	76%
		FY2006	3,828	2,850	74%

10. Market Information

(1) Containership Market (Containerization International "Freight Rates Indicators")



(2) Dry Bulk Market (Baltic Dry Index)

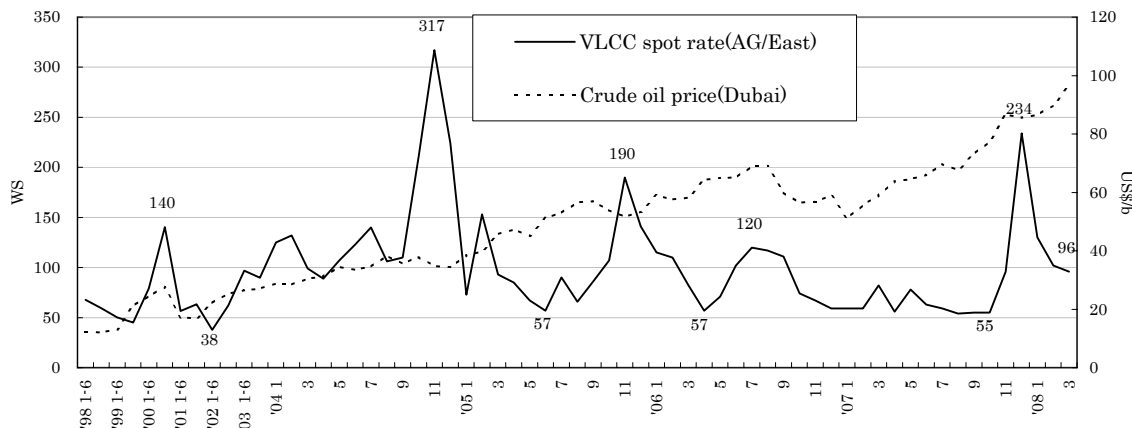


	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Maximum	1,471	1,156	1,343	1,734	1,566	1,666	4,609	5,519	4,678	4,336	10,543	8,063
Minimum	1,237	799	803	1,371	855	931	1,674	2,902	2,220	2,262	4,398	6,874

**1997-2002 data on the graph are half-yearly averages.

(Jan.~Mar.)

(3) VLCC Market



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Maximum	94	80	62	168	108	112	149	317	190	120	218	130
Minimum	52	47	36	55	35	29	49	89	57	57	54	96

**1997-2002 data on the graph are half-yearly averages.

(Jan.~Mar.)